



United States Senate
**Committee on Small Business
and Entrepreneurship**

Olympia J. Snowe, Chair

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Snowe Renews Call for Senate to Pass Association Health Plans

Cites Census Bureau Report on Declining Employment-Based Health Insurance

Washington, D.C. – Citing a new Census Bureau report that finds a decrease in the number of Americans covered by employment-based health insurance, Senator Olympia J. Snowe (R-Maine), Chair of the Senate Committee on Small Business and Entrepreneurship, today renewed her call for the Senate to pass Association Health Plan legislation. Snowe believes that Association Health Plans (AHPs) are a common-sense solution to allow small businesses to pool together to provide health insurance for their employees.

“Today’s Census Bureau report is another reminder that affordable health care insurance has moved beyond the reach of most small businesses in America. I have long pressed the Senate to act – just as the House has eight times – to pass Association Health Plan legislation to provide our small businesses, the engine that drives our economic growth, with the relief they so desperately need,” said Senator Snowe.

“Skyrocketing health care premiums are crushing small businesses,” stated Senator Snowe. “The time has come for Congress to recognize that small businesses in Maine and across the country are desperate for change. In the coming weeks, I will work closely with Majority Leader Frist and others in the Senate, to ensure that AHP legislation receives a vote this year.”

Senator Snowe noted the highlights of the report, *Income, Poverty, and Health Insurance Coverage in the United States: 2004*, are:

* The percentage of Americans covered by employment-based health insurance decreased from 60.4% to 59.8% in 2004.

* In 2004, 45.8 million Americans were without health insurance coverage, an increase of 800,000 from 2003.

In February, Senator Snowe introduced the “Small Business Health Fairness Act of 2005” (S.406). It allows small businesses to pool together in AHP’s to provide health insurance products that meet the specific needs of their members and their employees. The House of Representatives overwhelmingly passed its version of AHP legislation on July 26, 263-165.

Senator Snowe noted that AHP's have been touted by President Bush on numerous occasions and enjoy the support of 12 million employers and 80 million employees. Senate Majority Leader Bill Frist recently said he intends to address the bill as part of a "healthy America" legislative session this year.

"Association Health Plans allow small businesses to offer the same health insurance and savings options currently available to employees of large companies and government agencies," stated Senator Snowe. "They are an opportunity to drastically shrink the ranks of America's nearly 46 million uninsured, without significantly expanding the health care bureaucracy or increasing federal spending."

The Census Bureau report echoes the findings of a study released by the Small Business Administration's Office of Advocacy earlier this month. The SBA's study concluded that fewer employees of small businesses were eligible to enroll in their firm's health insurance plan due to increasing costs from 1997-2002. The study also found that 40 percent of employees in the smallest firms were eligible for health insurance coverage while slightly more than 77 percent of the largest firms' employees were eligible for health care coverage.

The report can be found at: <http://www.census.gov/prod/2005pubs/p60-229.pdf>.